# Municipal Affairs

## Business Plan 1998-99 to 2000-01

## Accountability Statement

*This Business Plan for the three years commencing April 1, 1998 was prepared under my direction in accordance with the Government Accountability Act and the government's accounting policies. All of the government's policy decisions as at January 20, 1998 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.*

*The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.*

Iris Evans
Minister of Municipal Affairs
January 21, 1998

## Mission

Municipal Affairs provides an environment to enable local decision-makers and individuals to provide excellence in local government, basic shelter for those most in need, and a fair marketplace. Municipal Affairs also guarantees high-quality registry information and accessible service for Albertans and is committed to effectiveness and affordability in the delivery of these services.

## Impacts of a Growing Economy

Alberta's economy is strong and is continuing to grow. For example, Alberta's rural and urban municipalities have experienced a nine percent growth in population, an increase of 234,000 people, in their communities since 1991. Alberta's population grew by 2.3% or 64,145 from 1996 to 1997. This growth in population means increased demand for service and the need to address infrastructure issues. Statistics show that 35 municipalities have accommodated 83 percent of the population growth but only 54 percent of assessment growth. In addition, municipalities have had to address a variety of transitional assessment issues as a result of the move to market value assessment. To ensure self-sufficiency and long-term viability, several municipalities have also undertaken initiatives to restructure, amalgamate or dissolve.

Vacancy rates in multi-family rental units decreased over the past year in several areas in the province due to migration toward areas of increased economic activity. For example, rates are now below one percent in Calgary, Fort McMurray and Grande Prairie. This generally results in increased rental rates and an increased demand for social housing.

Registries has experienced a 12 percent growth in the number of transactions in the past year, particularly in the Land Titles area, and a 20 percent increase in the past two years.

While this growing economy has contributed greatly to the Alberta Advantage, it has also created pressures within Municipal Affairs. These pressures will require the Ministry to reinvest in certain areas. The following five key directions will guide the Ministry over the next three years in carrying out its reinvestment strategies and other business plan initiatives.

## Key Directions

| | |
|---|---|
| **Accountability:** | Agencies delivering services for the Ministry will be accountable for both the quality of their services and any provincial funding they receive. |
| **Partnerships:** | Where appropriate, the Ministry will establish partnerships for service delivery to improve effectiveness and cost-efficiency. |
| **Communications:** | The Ministry will ensure full communications with its customers and partners as part of maintaining strong working relationships. |
| **Flexible Solutions:** | Service models will target areas of greatest need and will be flexible to encourage innovation, cost efficiency and meeting customer needs. |
| **Government Goals:** | The Ministry will ensure its activities fully support the goals of the Province for the benefit of all Albertans and Alberta's communities and will address recommendations from the Growth Summit. |

## Ministry Core Businesses

### Core Business #1 - Local Government Services: *provide an environment to enable excellence in local government.*

Albertans need dynamic and sustainable municipalities that work cooperatively with each other, with business/industry, and with other levels of government. Municipal Affairs will work with other ministries, municipalities, and its other stakeholders to develop a strategy with and for municipalities. This broad framework will benefit both municipalities and those ministries whose business impacts on municipalities. Municipal Affairs will continue to promote excellence in local government, resulting in strong and healthy communities for all Albertans. The following principles will guide the Ministry's business regarding municipalities and their residents. Municipal Affairs believes:

- municipalities are responsible to their citizens for their actions and activities;
- municipalities play a major role in achieving the Alberta Advantage by providing Albertans with infrastructure and services required for a good quality of life;
- municipalities and the provincial government should be partners with clearly defined roles and responsibilities;

- healthy, accountable and effective municipal governments are essential to meet local needs and preferences;
- municipalities require the property tax capacity to provide core municipal services and be more self-sufficient;
- municipal restructuring may be necessary to ensure viability, increase local governance effectiveness, and settle disputes within and between municipalities;
- the Ministry will identify, promote and support forms of local governance that best facilitate the long-term prosperity and well-being of Albertans, and enable municipalities to embrace growth opportunities;
- the Ministry will provide timely leadership and support.

### 1. Goal: Enhance the current property assessment and provincial property tax policy system to ensure uniformity and equitability.

Property assessment is the base upon which local property taxes and provincial education taxes are applied. Albertans require a property assessment and tax system that is fair and stable to ensure properties in the Province are assessed in an efficient and consistent manner. The Ministry will lead several new strategies to strengthen the overall assessment process. Improvements to the system and its application will result in a better understanding of assessment and taxation by Albertans, and assure more accurate assessments.

#### Current Strategies

- Set effective standards for assessment procedures, and review the quality of assessments for all Alberta municipalities to ensure uniformity and compliance with the standards.
- Prepare accurate and efficient assessments for linear property on a cost-recovery basis.
- Prepare equalized assessments in a timely manner while working toward improving the system for appropriate adjustments to assessed values.

#### Proposed New Strategies

- Lead a proactive education and training program for assessment professionals and other affiliates regarding market value assessment promoting complete, uniform and equitable assessments for all municipalities.
- Re-direct Ministry resources to:
  - develop a "best practices" manual to guide the profession in conducting assessments;
  - enhance the assessment audit program to improve assessment uniformity and compliance, to ensure procedures are being applied consistently, and to achieve assessment audit targets; and
  - enhance the assessment advisory function to provide timely advice to customers.
- Implement government-approved recommendations from MLA committees on assessment and non-profit tax exemptions. This may include amendments to the legislation and regulations.
- Improve the efficiency and timeliness of the assessment appeal process.

### 2. Goal: Enable municipalities to achieve success and long-term prosperity by providing effective leadership and support.

#### Current Strategies

- Encourage and facilitate inter-municipal cooperation and self-directed dispute resolution.
- Promote accountability of municipalities to their citizens through regular public reporting.

- Encourage and facilitate innovative governance initiatives where these can improve the quality of local government.
- Assist citizens in the development of their local government in the national parks.
- Review programs supported by property taxes.
- Encourage cost effective and efficient local government.

**Proposed New Strategies**

- Implement a Targeted Municipal Assistance Program with limited-term assistance targeted to specific municipal needs.
- Re-direct current resources to enhance advisory services provided to local governments and citizens on local governance and administration matters. This will help improve local decision-making and encourage more effective issues management and problem resolution.
- Provide incentives where needed to enhance the understanding of modern and effective service delivery methods which contribute to excellence in municipal administration and governance. Target groups are elected officials and municipal staff.
- Initiate reviews of alternative governance options and assist in the costs of restructuring when municipalities identify they are at financial risk.
- Provide a review process for local disputes regarding administrative authority and other processes.

### 3. Goal: Ensure that provincial policies and legislation support municipal efforts to operate successfully and maintain healthy communities.

Albertans need consistent, effective and equitable government policies which will result in:

- a legislative framework that enables municipalities and their partners to operate successfully;
- leadership for establishing effective local governance; and,
- guidance and support for innovative municipal governance initiatives.

**Current Strategies**

- Investigate and recommend changes to improve and streamline legislation and regulations to support modern approaches to governance and service delivery.
- Advocate improvement in the provision, coordination and delivery of programs and services by other government ministries, agencies and private sector stakeholders to better support effective local government.

**Proposed New Strategies**

- The Ministry will work with government ministries and will consult with local governments, their municipal associations and other stakeholders to develop a strategy with and for municipalities that:
  - ensures good coordination across all government ministries in their policies and programs for municipalities;
  - reduces overlap and duplication by better defining the roles and responsibilities of local government and the Province;
  - develops and promotes models of excellence in local government; and
  - helps municipalities work together without losing local control.

**CORE BUSINESS #1 - PERFORMANCE MEASURES**

- ***Municipalities' satisfaction regarding appropriateness, adequacy and quality of services provided.*** (This revised measure will be based on comprehensive and specific surveys to all municipalities. This applies to all three goals.)
- ***Percentage of municipal assessments which meet the provincial standards for procedures, uniformity and equity.*** (This revised measure has been expanded to include procedures. This applies to Goal #1.)
- ***Percentage of property assessments and equalized assessments successfully appealed to the Municipal Government Board.*** (This measure will, over time, provide an indication of the Ministry's success in providing an appropriate property assessment and provincial property tax policy system which ensures uniformity and equity. It will also provide an indication of the success of the locally applied processes. This applies to Goal #1.)
- ***Percentage of municipal restructurings that result in improvement in the viability of those municipalities involved.*** (This measure is being developed. It will be based on pre/post analysis of municipalities that undertake restructuring. This applies to Goal #2.)

## Core Business #2 - Housing: *provide basic shelter to those Albertans who are most in need.*

Albertans recognize that shelter is a basic need and that a healthy and caring society should help those persons who genuinely need support. Individuals require at least basic shelter to participate in opportunities for growth. Municipal Affairs continues to improve the quality of life for Albertans by providing basic shelter to families, individuals and seniors most in need thereby allowing them to live in a safe, healthy environment. These services are provided primarily through community-based non-profit and private organizations on the basis of need.

### 1. Goal: Ensure that provincial policies and legislation direct resources to Albertans most in need of shelter assistance.

**Current Strategies**

- Identify and prioritize where and how to allocate housing resources in partnership with communities.
- Work with other government ministries and housing organizations to reduce duplication, clarify roles and responsibilities, and coordinate housing services.
- Refine the method for prioritizing need of applicants for subsidized housing in consultation with management bodies and the Alberta Senior Citizens Housing Association.
- Continue to review the social housing inventory, and sell units that are inappropriate, costly to maintain, or no longer required.
- Encourage further consolidation of management bodies and projects where this will result in cost efficiencies, improved service to clients, and better accountability.
- Determine the flexibility for the Province to re-direct current subsidy dollars from areas of low need to areas of high need to respond to changes in the economy.
- Examine federal unilateral programs (10,000 housing units) which are proposed for transfer to the Province to determine the cost, benefit, and financial risk to the Province and if they are consistent with the Province's core businesses.

**Proposed New Strategy**

- Review and consider selected changes to the current rent-geared-to-income scale for very low-income individuals and families with unusually high basic need costs.

**2. Goal: Promote community-based social and affordable housing initiatives by encouraging partnerships with municipalities and the private and non-profit housing sectors.**

**Current Strategies**

- Encourage management bodies to develop new lodge units for seniors as needed.
- Develop special needs facilities using the rent supplement program.
- Develop a pilot project to transfer ownership of provincial housing units to management bodies or municipalities, provided these units are targeted to Albertans most in need of basic shelter. Explore options for providing incentives.

**Proposed New Strategies**

- Work with other ministries and the federal government to deliver the Remote Housing Program.
- Increase funding for Rent Supplement to meet the increased need for housing support.
- Encourage industry/private sector groups to provide affordable housing in communities where such housing is unavailable, and organize a symposium to identify possible alternatives.

**3. Goal: Ensure that organizations involved in the delivery and administration of social housing operate effectively and meet acceptable standards of accountability.**

It is necessary to ensure that a balance is maintained between effective monitoring and appropriate management body independence.

**Current Strategies**

- Monitor the activities of management bodies to ensure compliance with legislation, agreements, operating standards and policies through operational reviews, lodge standards reviews and property condition inspection reports and special audits.
- Implement a management body board training program.
- Revise the Alberta Housing Act to clarify the relationship between management bodies and the Province and to ensure that appropriate accountability provisions are in place.

**CORE BUSINESS #2 - PERFORMANCE MEASURES**

- ***Percentage of housing units provided to Albertans in need.*** (This measure continues from the previous business plan. This applies to Goal #1.)
- ***Average cost per unit by program.*** (This measure is carried forward from the previous business plan. This applies to Goals #1 & #2.)
- ***Number of incidences and the costs of mismanagement of funds.*** (This is predominantly a measure of accountability of our housing partners. This applies to Goal #3.)

## Core Business #3 - Consumer Affairs: *promote a fair marketplace for Albertans.*

Albertans recognize that a much more complex marketplace exists today than in the past. Alberta consumers and businesses want to see fairness in the marketplace. Municipal Affairs will promote fair market practices through legislative, monitoring and enforcement initiatives, including business licensing, as well as by enhancing consumer awareness and self-reliance.

### 1. Goal: Assist Albertans by undertaking investigations and enforcement of consumer protection legislation.

Ministry resources will be focused on Albertans who are most vulnerable in the marketplace.

**Current Strategies**

- Investigate, and where appropriate, prosecute contraventions of consumer legislation which have a significant impact on the marketplace.
- Ensure that businesses dealing with prepayment for services (e.g. trust funds, deposits), are licensed and bonded according to legislation.

**Proposed New Strategies**

- Improve the efficiency of the regulatory process through implementing the Fair Trading Act.
- Enhance the division's information system to support case management and enforcement activities by improving the Consumer Affairs Tracking System (CATS) and implementing the proposed CANSHARE (a national information-sharing database).

### 2. Goal: Improve consumer awareness in partnership with community-based groups, industry and other Canadian jurisdictions.

**Current Strategies**

- Provide tip sheets, advice and information on priority consumer issues.
- Work with other Canadian jurisdictions on the national consumer awareness initiatives.

### 3. Goal: Promote industry self management and program delivery, and ensure accountability.

**Current Strategies**

- Continue to identify opportunities for industry to take over licensing and regulatory responsibilities (e.g. Automotive Council, franchise industry).
- Continue to oversee legislation administered by Credit Counselling Services of Alberta, the Alberta Funeral Services Regulatory Board and the Alberta Real Estate Council, and ensure continuing accountability of these non-government agencies.

**4. Goal: Promote a fair marketplace for Albertans by providing effective consumer legislation.**

**Current Strategies**

- Continue to review and update all consumer and other related legislation, eg. Fair Trading Act.
- Harmonize legislation and regulations with other jurisdictions, where appropriate.
- Implement regulatory changes to improve monitoring and enforcement including reciprocal agreements with other jurisdictions on enforcement and information sharing.

**CORE BUSINESS #3 - PERFORMANCE MEASURES**

- ***Percentage of investigations of legislative contravention which are successful.*** (This is a measure of the effectiveness of the enforcement role to protect consumers. This applies to Goal #1.)
- ***Comparison of the number of licenses issued by the Ministry and industry.*** (This is a measure of the extent of industry self management. This applies to Goal #3.)

## Core Business #4 - Registries: *provide an environment that ensures excellence in the delivery of licensing and registration services to Albertans.*

Albertans and businesses continue to benefit from improved access to Registries' products and services through advanced delivery mechanisms. Municipal Affairs will continue to provide both individuals and the private sector with timely, high-quality information and registration and licensing services at the lowest possible cost.

**1. Goal: Provide a consistently high level of service across all registry areas by exploring and implementing alternative delivery mechanisms and improving access to services.**

The provision of accessible, timely and accurate information from Land Titles, Foreign Ownership of Land Administration, Corporate Registry, Vital Statistics, Motor Vehicles and Personal Property helps to facilitate business transactions and improve business and individual decision making in the Province.

**Current Strategies**

- Maintain a high level of service and accountability for the services provided through the private sector.
- Improve the level of service provided in Corporate Registry and Vital Statistics by redesigning business processes and utilizing new technologies.
- Maximize the number of registry services available through the registry agent network and direct electronic access.

**Proposed New Strategies**

- Invest resources to meet the increased demand for registry services driven by increased economic activity.
- Pursue innovative investment strategies with the private sector to fund the redevelopment of three legacy systems: Motor Vehicles (MOVES); Land Titles (ALTA); and Personal Property (PERPIS).
- Develop ways for customers to participate in the design of services.

2. **Goal: Improve the response time and accessibility of Corporate Registry and Vital Statistics services by increasing the points of service while achieving cost recovery and safeguarding the privacy of personal information.**

**Current Strategies**

- Develop policies to ensure that appropriate safeguards exist to protect private information.
- Coordinate with other ministries (e.g. Alberta Treasury and Health) to eliminate the duplication of information filed by individuals and corporations.

**Proposed New Strategy**

- Extend the transition period for full implementation of the re-designed Corporate Registry and Vital Statistics to ensure no service disruption to customers. This will provide adequate time and resources to implement the new business model, demonstrate the integrity of the systems and inform the public and the business community of changes.

3. **Goal: Maintain the high level of service provided by Land Titles while continuing to identify potential efficiencies.**

**Current Strategies**

- Implement a process to convert to a "paperless environment".
- Position Land Titles to deal with the required enhancement of the legacy computer system (ALTA) over the next five years.
- Convert the surveys registration function to a digital environment to improve efficiency, address records backup issues, and decrease costs for updating provincial mapping systems.

**Proposed New Strategies**

- Identify and implement flexible processes which will handle increased service demands and maintain a high service level without significant cost implications.
- Investigate a staff training approach which includes internships and partnerships with the private sector to ensure that qualified staff are available.

4. **Goal: Ensure that Alberta's recreational, agricultural and undeveloped private lands continue to be owned and enjoyed by Canadians while preserving the opportunity for foreign investment.**

**Current Strategies**

- Review the Agricultural and Land Ownership Act and the Foreign Ownership of Land Regulations to increase effectiveness.
- Continue consultation and involvement with other ministries to ensure that all provincial and federal interests are addressed, including Special Places 2000.

**Proposed New Strategy**

- Reconcile program with legislative intent if necessary.

## CORE BUSINESS #4 - PERFORMANCE MEASURES

- ***Customer satisfaction with the quality of registration and licensing services provided by Registries and private sector partners.*** (This is a measure of the effectiveness and quality of services. It applies to Goal #1, and will also be applied beginning in 1998 to Goals #2 & #3.)
- ***Reduction in the cost per transaction.*** (This measure applies to Goal #1.)
- ***Turnaround time for Vital Statistics, Corporate Registry and Land Titles services.*** (This measure will track the success of program changes. This applies to Goals #2 & #3.)

# Municipal Affairs
## Ministry Consolidated Income Statement
(thousands of dollars)

| | Comparable 1996-97 Actual | Comparable 1997-98 Budget | Comparable 1997-98 Forecast | 1998-99 Estimates | 1999-2000 Target | 2000-01 Target |
|---|---|---|---|---|---|---|
| **REVENUE** | | | | | | |
| Internal Government Transfers | 89,527 | 91,961 | 94,161 | 316,418 | 96,570 | 106,601 |
| Transfers from Government of Canada | 66,345 | 70,370 | 67,090 | 67,975 | 68,102 | 66,555 |
| Investment Income | 4,739 | 3,200 | 3,307 | 3,100 | 2,550 | 2,277 |
| Premiums, Fees and Licences | 254,309 | 242,303 | 275,688 | 251,098 | 254,023 | 257,109 |
| Other Revenue | 24,514 | 14,524 | 16,228 | 11,032 | 11,486 | 11,686 |
| *Consolidation Adjustments* | (90,727) | (91,961) | (94,161) | (316,418) | (96,570) | (106,601) |
| **Consolidated Revenue** | 348,707 | 330,397 | 362,313 | 333,205 | 336,161 | 337,627 |
| **EXPENSE** | | | | | | |
| **Program** | | | | | | |
| *Department:* | | | | | | |
| Ministry Support Services | 15,123 | 16,560 | 16,606 | 15,901 | 15,966 | 15,876 |
| Support for Municipal Programs | 118,712 | 128,652 | 124,678 | 114,582 | 115,414 | 116,044 |
| Administration of Housing Programs and Consumer Services | 96,589 | 95,571 | 95,352 | 307,819 | 88,359 | 95,059 |
| Registries Information and Distribution | 35,504 | 36,907 | 36,567 | 33,770 | 33,972 | 34,184 |
| *Department Sub-total* | 265,928 | 277,690 | 273,203 | 472,072 | 253,711 | 261,163 |
| Statutory Programs and Valuation Adjustments | (41,363) | 385 | 95 | 400 | 400 | 400 |
| Alberta Social Housing Corporation | 60,581 | 69,600 | 57,850 | 65,772 | 65,119 | 65,126 |
| Alberta Educational Communications Corporation | 1 | - | - | - | - | - |
| *Consolidation Adjustments* | (40,869) | (79,761) | (79,761) | (293,518) | (73,770) | (80,301) |
| **Consolidated Program Expense** | 244,278 | 267,914 | 251,387 | 244,726 | 245,460 | 246,388 |
| Debt Servicing Costs | 107,688 | 100,061 | 100,061 | 75,554 | 60,777 | 55,963 |
| **Consolidated Expense** | 351,966 | 367,975 | 351,448 | 320,280 | 306,237 | 302,351 |
| Gain (Loss) on Disposal of Capital Assets | - | - | - | - | - | - |
| **NET OPERATING RESULT** | (3,259) | (37,578) | 10,865 | 12,925 | 29,924 | 35,276 |